

### **REMARKS**

The above amendments and these remarks are responsive to the Final Office Action issued on August 22, 2006. By this response, claims 6-10, 16, 22 and 24 are amended. No new matter is added. Claims 1-5, 14, 15, 18-21, 23, 25, 27 and 28 are cancelled. Claims 6-13, 16, 17, 22 and 24 and 26 are now active for examination. A request for continued examination and a petition for a three-month extension of time are submitted concurrently herewith.

The Office Action rejected claims 1, 4-8, 19 and 22 under 35 U.S.C. 102(b) as being anticipated by DeTore et al (U.S. Patent 5,732,397). Claims 2, 12, 13, 20 and 21 were rejected under 35 U.S.C. 103(a) as being unpatentable over DeTore in view of Toy (U.S. Patent No. 4,554,418). Claim 3 stood rejected under 35 U.S.C. 103(a) as unpatentable over DeTore in view of Kalmus (US Patent No. 4,674,044). Claims 9-11 and 16-17 were rejected under 35 U.S.C. 103(a) as being unpatentable over DeTore. The Office Action rejected claims 24-26 as being unpatentable over DeTore in view of Fernholz (US Patent No. 5,819,238).

It is respectfully submitted that the rejections are either overcome or moot in view of the amendment and/or remarks presented herein.

#### **The Anticipation Rejection of Claims 6-8, 19 and 22 Is Overcome**

Independent claims 6 and 22, as amended, describe a rule engine having rules with assigned scope of application for processing transactions. The assigned scope is selected from a plurality of preset scope. Each preset scope specifies a specific source of transactions that a corresponding rule would apply to all transactions originating from the specified source. A user is allowed to change the assigned scope from a first one of the plurality of preset scope to a

second one of the plurality of preset scope. Appropriate support for the amendment can be found in, for instance, page 7, lines 28 through page 9, line 10 and Figures 3A and 3B.

For instance, as shown in Figure 3B, a user is allowed to selectively set or change an assigned application scope associated with rule 1141 by selecting one of application scope including firm, office, investment professional and account. The scope of a particular rule can be set to be applicable only to a particular account, to a particular registered representative, to a particular office of a broker-dealer firm or to the broker-dealer firm itself. For a particular level, the scope of the rule would be applied to all transactions originating from the specified source, such as an account, a registered representative, an office or a firm, depending upon the scope selected.

In contrast, DeTore relates to an expert decision making system that includes a plurality of databases storing conditions and corresponding results, to assist a user, such as a doctor or an investor in making diagnosis or investment decisions. While DeTore's databases may purportedly store rules specific to a user for calculating an optimal decision, DeTore's system does not meet every claimed limitation. For instance, DeTore does not specifically describe providing preset application scope to each rule that specifies a specific source of transactions that a corresponding rule would apply to all transactions from that specific source. DeTore also fails to teach that the application scope of each rule is adjustable based on a user setting selecting from a plurality of preset scope.

Furthermore, in rejecting claims 6 and 22, the Office Action merely asserted that DeTore discloses features related to a user-configurable scope in Column 7, line 66-Column 8, line 27. However, the cited paragraph, reproduced below, has nothing to do with a user-configurable application scope for processing transactions:

When a case is selected from the in-tray provided in the work flow management tools, the system user can proceed along any of three alternative routes. These three alternatives are generally represented in FIG. 4 by blocks 72, 74, and 76. Blocks 72 and 74 allow for non-automated decision-making, with or without the aid of information displayed from the system data bases. Block 76 illustrates the option for making a non-automated decision with decision assistance from the system. Such assistance may take the form of providing the user with access to the expert system modules utilized by the system in the automated decision-making process. Based on the information available to the system and the structure of the expert system modules, the system may make recommendations to the human decision maker, which recommendations the decision maker can accept or ignore. In the medical diagnosis application, for example, the system may recommend to a physician that Penicillin be considered in the treatment of a particular condition. However, based upon other considerations (e.g., the possibility of an allergic reaction), the physician may opt for an alternative course of therapy. After concluding one or more of the operations represented by blocks 72, 74 and 76, the decision maker may make a non-automated decision, as represented by block 78. If such a decision is made, the result is stored, implemented and administered in operations which are generally represented by block 80. If a decision is not made, additional information is obtained (block 82) and the case is returned to the automated portion of the system (block 61) for further iterative processing.

Nowhere does the cited paragraph provide specific teaching and guidance on providing a user-configurable application scope to a rule for applying the rule to all transactions from a specific source specified by the assigned scope.

Since DeTore fails to disclose every limitation of claims 6 and 22, DeTore cannot support a prima facie case of anticipation. Accordingly, the anticipation rejection is untenable should be withdrawn. Favorable reconsideration of claims 6 and 22 is respectfully requested. Claims 7, 8 and 19 also are patentable over DeTore by virtue of their dependencies from claim 6.

Incidentally, it was noted that the Office Action contended that DeTore discloses that “the assigned scope of the application is set to the registered representative level (Column 5, lines 13-27). The DeTore disclosure references a ‘decision manager’ which servers the same capacity as the registered representative in application disclosure.” See page 4, second paragraph of the Office Action. Applicants respectfully disagree and submit that the assertion misread DeTore’s disclosure and fails properly apprehend the claim scope.

Claim 8, as amended, describes that a rule engine having rules with user-configurable scope of claim 6 can be set to apply to transactions from a specific registered representative.

In contrast, the paragraph relied on by the Examiner recites:

Management information data base 30 contains the results of individual decisions made by the system and each decision maker utilizing the process. *Data base 30 may be reviewed by a decision manager*, along with selected information from the other data bases, to improve the decision-making capabilities of the system. The information which may be useful in this review includes the information available to the decision maker, the alternative decision paths considered and criteria applied in the decision-making process, the various levels of expertise of different decision makers, and other variables affecting the decision-making process. From the information stored in the management information data base, the quality and consistency of decisions made using the apparatus and method of the present invention-can be monitored and evaluated.

Emphasis added.

The paragraph cited by the Examiner merely suggests that DeTore's database may be reviewed by a decision manager. The review process by the decision manager in DeTore merely serves maintenance purpose of the databases, and does not indicate that the application scope of DeTore's database can be set to apply to all transactions from a specific registered representative.

### **The Obviousness Rejection of Claims 9-11 and 16-17 based on DeTore Is Overcome**

#### **(1) Claims 9-11**

Claims 9-11 depend on claim 6 and further describe that the describes that a rule engine of claim 6, which has rules with user-adjustable application scope, can be set to apply to all transactions from a specific office, a specific firm or any transactions.

In rejecting claims 9-11, the Office Action took official notice by reasoning that "DeTore has shown that the scope of the application is capable of being set to different levels...(individual account Column 3 lines 26-29 and registered representative Column 5 lines 13-27)." See page 9, last paragraph of the Office Action.

However, as Applicants pointed out earlier with respect to claim 8, the cited paragraph of DeTore merely describe that databases can be reviewed by a decision manager for maintenance purpose, and does not teach that rules can be changed by a user to apply to all transaction from a specific office, a specific firm or any transactions, as described in claims 9-11.

(2) Claims 16-17

Claim 16, as amended, describes a method for processing a transaction containing an order for execution. The method comprises the steps of accessing a plurality of rules, each rule having preset application scope specifying a source of transactions that a corresponding rule should apply to all transactions from the specified source. Transactions are checked by first applying rules having application scope specifying a specific account, then rules having application scope specifying a specific registered representative, then rules having application scope specifying a specific office, then rules having application scope specifying a specific firm, and then rules having application scope applicable to transactions from all sources.

According to an exemplary embodiment described in the written description, a check is made to see if customized rule settings are in effect for the corresponding broker-dealer firm (905). If they are (905-Y), the rules engine would check the account level rules or the account range to see if the account level rules are satisfied (910). Then it checks rules associated with the registered representative (915), rules for the particular office from which the order originates (970) and the firm level rules (including system level rules and compliance rules) applicable to the broker-dealer firm (930). Once all of the outcomes from all of the checks (910-930) are determined, the outcomes are reviewed to determine the appropriate action to be taken (960). If the outcome is stop (960-stop), the order is rejected (965) upfront with the applicable message(s) for the rule(s) violated. If the outcome is warning (960-warning), the order is sent to the appropriate order execution process and a message is sent to the broker-dealer firm with the

warning. If the outcome is approval (960-approval), the order is sent to the corresponding broker-dealer firm for approval along with a message as to the specific rules violated. If it is approved (970-Y) by the broker-dealer firm, the order is forwarded to the appropriate order execution process for fulfillment (980). If the order does not come back approved from the broker-dealer firm, it is assumed that the order was rejected by the broker-dealer firm. If the outcome is approved (960-approved), the order is passed to the appropriate order execution process (980).

As Applicants already pointed out in the previous response, nowhere does DeTore discuss the specific sequence and various levels of application scope as described in Claim 16. Despite DeTore's failure in disclosing the specific sequence and various levels of application scope, the Office Action rejected the claims by taking official notice based on the same reasons discussed relative to claims 7 and 8 regarding a specific account and a registered representative. However, as Applicants clearly pointed out earlier with respect to claims 6 and 8, DeTore does not teach applying a rule to all transactions from a registered representative. Apparently, the Examiner's speculation was artificial and was based on Applicant's own disclosure, not from the teaching of DeTore. It is respectfully submitted that the Examiner has not discharged his duty in establishing a prima facie case of anticipation by producing a single document including all the claimed features. The anticipation rejection is untenable and should be withdrawn. Favorable reconsideration of claim 16 is respectfully requested.

Since claim 16 is patentable, claim 17, which depends on claim 16, also is patentable by virtue of its dependency.

**The Obviousness Rejection of claims 24 and 26 Is Overcome**

Claims 24 and 26 were rejected as being unpatentable over DeTore in view of Fernholz. The obviousness rejection is respectfully overcome because DeTore and Fernholz cannot support a prima facie case of obviousness.

Claim 24, as amended, describes an apparatus comprising a client process for generating and sending a transaction containing a request to transfer assets between accounts, and a rules engine for receiving the transaction from the client process and applying at least one user configurable rule to the transaction. At least one execution process is provided for receiving the request from the rules engine and for transferring assets as requested, when application of rules by the rules engine results in an approved outcome. The at least one rule includes an assigned scope of application selected from a plurality of preset scope, and an assigned outcome selected from a plurality of preset outcomes. Each preset scope of application specifies a source of transactions that a corresponding rule should apply to all transactions from the specified source. A user is allowed to change the assigned scope from a first one of the plurality of preset scope to a second one of the plurality of preset scope, and to change the assigned outcome from a first one of the plurality of preset outcomes to a second one of the plurality of preset outcomes.

As discussed earlier relative to claims 6 and 22, DeTore does not teach that at least one rule includes an assigned scope of application selected from a plurality of preset scope, and that a user is allowed to change the assigned scope from a first one of the plurality of preset scope to a second one of the plurality of preset scope. Moreover, DeTore does not disclose that each preset scope of application specifies a source of transactions that a corresponding rule should apply to all transactions from the specified source. Furthermore, DeTore fails to disclose that the at least one user configurable rule comprises a rule having an assigned outcome selected from a plurality

of preset outcomes, and that a user is allowed to change the assigned outcome from a first one of the plurality of preset outcomes to a second one of the plurality of preset outcomes.

The other cited document, Fernholz, was relied on for its alleged descriptions related to sending instructions to perform balance transfer, and does not alleviate the deficiencies of DeTore. Thus, DeTore, even if modified by the alleged feature from Fernholz as asserted in the Office Action, does not meet every limitation of claim 24. Accordingly, claim 24 is patentable over the combination of DeTore and Fernholz. Favorable reconsideration of claim 24 is respectfully requested.

Claim 26 depends on claim 24 and incorporates every limitation thereof. Consequently, claim 26 also are patentable over DeTore and Fernholz by virtue of their dependencies and based on their own merits. Favorable reconsideration of claims 25 and 26 is respectfully requested.

### **Conclusion**

For the reasons given above, Applicants believe that this application is in condition for allowance, and request that the Examiner give the application favorable reconsideration and permit it to issue as a patent. If the Examiner believes that the application can be put in even better condition for allowance, the Examiner is invited to contact Applicants' representatives listed below.



To the extent necessary, a petition for an extension of time under 37 C.F.R. 1.136 is hereby made. Please charge any shortage in fees due in connection with the filing of this paper, including extension of time fees, to **Deposit Account 500417** and please credit any excess fees to such deposit account.

Respectfully submitted,

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